

Christmas Lake Village
Board of Directors
Special Meeting on the Criteria and Qualifications for the Election of Directors
03/15/2012

The meeting was called to order by President Amy Busler at 5:00 PM. She noted that a quorum was present and that the meeting was being recorded.

Directors present were Amy Busler, Jodey Reisz, Susan Loucka, Leroy Powell, and Mack Seed. Greg Robinson, Susan Murray, Dave Walters and Betty Clayton were absent.

There was one member in the audience.

The President turned the meeting over to the Chairperson of the Nominations and Personnel Committee, Jodey Reisz.

CRITERIA FOR DIRECTORS-Jodey Reisz

Jodey Reisz stated that with the election coming up in the next couple of months, she wanted clarification on a few issues. Currently the bylaws do not give any criteria or guidelines for running for a directorship, other than being a property owner in good standing. "We've had two past Boards where employees of Christmas Lake Properties Association, Inc. were seated and I'm wondering if a conflict of interest has been created by this? What's your thoughts on this subject more or less? It's hard for Al, as property manager, to work in the gap between the two. There's been concerns in the past with this issue and that is what I want to know what you all think about this. Does this create a conflict of interest?"

Amy Busler asked, "Should we see what Al thinks?"

Jodey Reisz stated, "Sure, I'd like to hear from Al and how he thinks this affects him as property manager."

Al Bauer stated, "This is a "sticky wicket" or an unusual situation that doesn't arise too often. But, if I'm accountable for the behavior and performance of all the employees of Christmas Lake Village and one of the employees also carries the title of director, the line of who answers to who is gray. In my mind I can keep it straight, but I do think there may have been instances in the past, with the guard, that I had some issues with over his performance. But he resigned before I was able to "write him up." Previously this individual had been on the board. That would've been a difficult situation to confront him, and him being in charge of my employment and compensation. From that, I think you can see that it is a "sticky wicket. If the opportunity presents itself that requires me to write up, discipline, or fire someone who was a board member, that would be a difficult situation. Would any property manager look at that individual with different eyes, since they were a member of the board? It makes my position more difficult. Whether it's me or

someone else, it needs to be talked about and how's the best way to handle this? I hope I've explained my position so that you can understand the situation as it currently exists. At the very least it's an unclear line of accountability.

Lee Powell stated that during an earlier time, when Jeff Stillman was President, he stated that any employee of Christmas Lake Properties Association would excuse themselves from any and all personnel issues and anything that directly related to the performance evaluation of the property manager. When I became President, we continued that same policy. The position or the property manager, reports directly to the President of current Christmas Lake Board of Directors. Other Directors have no direct input, unless they have been directed by the President of the Board for some specific reason. The Christmas Lake bylaws reflect that in regards to the nomination of new Directors, there is no language stating that if they are employed by Christmas Lake Properties, that they cannot be a Director. And if that's to be changed, this would have to take place at an annual meeting or a special meeting specifically for this purpose. Your only other way would be to make it a matter of a personnel rule that says to be employed by Christmas Lake Properties Association, one would waive their right to seek a directorship. You cannot be on the Board because it does create a matter of conflict. You can make this a personnel issue and by saying that if you choose to be employed by Christmas Lake Properties Association, you waive your right to be a Director. We're not keeping Christmas Lake property owners from being Directors but we're saying that at the time of employment, one would waive their right to seek being a Director. And then that would do it. That's what the rules say. You can make this a rule or a personnel matter.

Susan Loucka stated that anyone who is a current property owner in good standing can be a Director.

Lee Powell stated that as a matter of employment, personnel could seek a waiver from the individual seeking employment. "If you're going to be employed by the Village, then you cannot be on the board."

President Busler stated, "If we have someone that wants to be considered to be on the board, we give them a packet of information stating that they would waive their right to seek a directorship if they were a CLV employee there."

Lee Powell stated that the candidate would understand that they could not seek employment with Christmas Lake Village if they were going to be a Director.

President Busler stated, "I think this did give us a problem, with the past property manager, and Brad. Brad was torn and he was torn as to how he should vote as a Director and an employee of the Village."

Susan Loucka stated that there are eight other Directors and that represents the safeguard of an employee who feels caught in the middle of the conflict.

Jodey Reisz asked, "Who's to say that all the Directors could not be employees?"

Susan Loucka stated that under Indiana law there is no such restriction to being a Director.

Lee Powell stated, "We are not talking about a restriction to being a Director, but a restriction to being under employment of Christmas Lake Properties."

Susan Loucka agreed. "If you want to make restrictions on Directors to our employees in regards to issues of pay, vacation, compensation, I'm in agreement."

Jodey Reisz stated though there is nothing that limits the number of employees that can sit on the board. So when it comes to issues of pay, vacation, and compensation, it's possible that all nine Board members would have to excuse themselves from the discussion.

Susan Loucka inquired, "Has that happened?"

Jodey Reisz stated that we just need to clear this potential conflict up before it happens. "As the chairperson of personnel and also the nominations committee, this involves all of those areas and I just felt like that I'd like to get the temperature of the Board as it relates to this particular issue."

Mack Seed stated, "We've never had a problem with you, Susan. And this is not about you. And I don't think the Board could do anything that could restrict your directorship. But it's about future Board members. Susan, you are "grandmothered" into the situation that you find yourself in. But I can see a situation coming up where this could be a "sticky wicket".

Susan Loucka agreed that she could see where a sticky wicket situation could arise if there was a majority of the Board that were employees of Christmas Lake Village. "But I feel like it's a very clear-cut thing that you could put into personnel rules where employees/directors would have to excuse themselves from participating in Board personnel issues. The property manager has absolute control of what goes on. He can reprimand me or he can fire me. I have to understand that."

Jodey Reisz stated, "Look at the position you put the property manager in."

Susan Loucka stated, "I thought about this long and hard before I ran to become a Director. And I thought about what kind of position this would put (Mark) the property manager in. At that point it seemed very clear-cut that I have two positions and in those two positions, there exists very clear-cut authority."

Lee Powell stated, "If we stay focused on the issue, we simply have to say that if you're going to seek a position for the Board, you cannot become an employee of Christmas Lake Properties."

Mark Evans stated, "I've lived here since 1979 and this issue has existed forever in the Village. Whoever the property manager is, it puts him in a lousy position. What if the property manager had to take some action against a Board member, it's possible that the Board member could swing some votes and have the property manager removed. And if there was a place in the rules that addressed the criteria for being a Director meant "not being an employee," then I think this would fix it. But you cannot keep somebody from running for the Board of Directors who is in good standing. I hope the property manager is not working for all nine Board members. It should be in writing somewhere that the property manager reports directly to the President of the Board. I don't know too many people that work for nine different bosses. I don't think that's the position the property manager wants to be in. He doesn't want there to be a conflict with a Board member if he has to write them up as an employee."

Lee Powell stated, "We're talking more about personnel related issues."

Mark Evans inquired, "Do all the employees report to him? If the Board has an issue with one of the employees, they have to go through the chain of command, which is through the property manager. "

Lee Powell stated that this was true.

Jodey Reisz stated, "This really is two pieces. Number one being how does the property manager effectively do his job? And does it put him in a tight spot? And then the other side of it is you have an employee that brings information learned on the job, but that's not pertinent or appropriate to be discussed at a Board meeting, but they bring that to the Board. It's not a vote, but they're making issues for the Board to vote or act on that otherwise wouldn't occur. Suppose you have some maintenance guy, who sits on the board, and talks about maintenance issues. Plus, they didn't go through the chain of command, which is through the property manager. I think there's two pieces to this issue."

Lee Powell stated in corporate America, rarely are there any employees of the companies that sit on the Board of Directors. "We are acting as a corporate entity when we're sitting in this Board. I think we are pretty much in line to say that we are able to choose as a Board not to have employees of Christmas Lake Village Properties Association be members of the Board of Directors. I'd be willing for the Board to make a decision on that."

Jodey Reisz stated, "We needed to call a special meeting for this, for the upcoming election. If there were a lot of nominations coming, I certainly don't want to have this situation that we've been discussing, and then play catch up and try to fix it after it's already happened."

Mark Evans stated that he hoped the board would protect the new property manager in his position. "He'll have to go through various board members over a longer period of time."

Lee Powell made a motion that the Board chooses to make language that says that in this upcoming election and future elections, employees of Christmas Lake Properties Association, Inc. may not hold office on the Board of Directors during their employment.

President Busler seconded the motion. "Is there any discussion?"

Susan Loucka stated, "I think were jumping on this way too fast."

President Busler stated that we have to move quickly because the election is coming upon us in June. "We need to have this in place before there are lots of candidates. Like this gentleman said, I would hate to be the property manager's position, as he tries to determine who he is speaking to, boss or employee. This is nothing personal against you Susan."

Susan Loucka stated that she hates to disallow someone who needs a paycheck, but has something to offer to the Board of Directors.

President Busler asked Susan Loucka, "When you came on the Board, you stated that if you had decided between being unemployed at Christmas Lake Village and being on the Board... "

Susan Loucka replied, "I said I would quit my job."

President Busler stated, "Some type of conflict existed or you wouldn't have said your remarks."

Susan Loucka replied, "I don't want to know about any personnel things. That's something I need to stay out of. But I also feel quite comfortable with the fact that I am an employee, and that if I do something wrong, Al needs to discipline me."

President Busler stated that not every person may feel that way.

Susan Loucka replied, "You're saying that you can't do that (be a Board member) instead of using rules, which could allow you to be both. You're eliminating possible people from the Board of Directors because they need a paycheck. We have the opportunity to say that there are the rules if this is the position you want to be in."

Jodey Reisz stated that this still would not limit the number of employees that could be on the Board.

President Busler stated that she was looking at the position of the property manager and would not want to put him in this position, no matter whether there's conflict between the Board member being his boss or having control over his continued employment versus his being able to manage the employee. I'm not looking at any particular Board member.

I'm not looking at any particular employee. I'm looking at the position this issue places property manager in. "I would hate to be in his shoes switching back and forth."

President Busler stated that there was a motion and a second. "I call for the vote."

Amy Busler-Aye
Leroy Powell-Aye
Susan Loucka-No

Mack Seed-Aye
Jodey Reisz-Aye

Motion passed at 4 to 1

ADJOURNMENT

Jodey Reisz moved to adjourn. Motion was seconded by Mack Seed.

Amy Busler-Aye
Leroy Powell-Aye
Susan Loucka-Aye

Jodey Reisz-Aye
Mack Seed-Aye

Vote In Favor 5 to 0

Meeting was adjourned at 5:45 PM.

Respectfully submitted,
Al Bauer
Property Manager/Secretary
Christmas Lake Village Board of Directors.